



PRESS RELEASE

Internal Revenue Service - Criminal Investigation *Chief Richard Weber*

Date: Jan. 12, 2016

Contact: *CI-HQ-COMMUNICATIONSEDUCATION@ci.irs.gov
IRS – Criminal Investigation

CI Release #: CI-2016-01-12-A

Michigan Residents Sentenced to Prison for Mortgage Fraud Scheme *Recruited Straw Buyers to Purchase Homes and Submit Fraudulent Mortgage Applications*

Five residents of the Detroit, Michigan, area were sentenced to prison this week for their roles in a multi-year mortgage fraud conspiracy, Acting Assistant Attorney General Caroline D. Ciralo of the Justice Department's Tax Division announced today.

Between January 2006 and December 2008, the perpetrators of the scheme purchased single-family homes in Detroit for approximately \$5,000 to \$40,000 each and re-sold the homes to third party individuals, referred to as "straw buyers," that they recruited. The co-conspirators then caused fraudulent mortgage loan applications in the names of the straw buyers to be submitted to financial institutions.

On July 16, 2014, a grand jury returned a superseding indictment charging seven defendants with conspiracy to commit bank fraud, bank fraud, aiding and assisting in the filing of false tax returns and bankruptcy fraud. All of the defendants named in the superseding indictment pleaded guilty to conspiracy to commit bank fraud for their role in the scheme.

On Jan. 11 and 12, U.S. District Judge Bernard A. Friedman of the Eastern District of Michigan announced the following sentences:

- Jason Najor, 39, of West Bloomfield Township, Michigan, was sentenced to 16 months in prison, followed by four years of supervised release, and ordered to pay restitution to the affected financial institutions in the amount of \$705,900.
- Jeffrey Najor, 32, of Wixom, Michigan, was sentenced to 24 months in prison, followed by four years of supervised release, and ordered to pay restitution to the affected financial institutions in the amount of \$1,707,200.
- Suhail Hallak, 59, of Oak Park, Michigan, was sentenced to 15 months in prison, followed by three years of supervised release, and ordered to pay restitution to the affected financial institutions in the amount of \$759,804.
- Joey Murad, 37, of Old Shelby Township, Michigan, was sentenced to 33 months in prison, followed by four years of supervised release, and ordered to pay restitution to the affected financial institutions in the amount of \$188,904.
- Al Karana, 46, of Old Sterling Heights, Michigan, was sentenced to one day in jail, followed by three years of supervised release to include one year of home confinement, and ordered to pay restitution to the affected financial institutions in the amount of \$204,600.

Two of the defendants named in the superseding indictment were previously sentenced to prison. In January 2015, Wasseem Shamoun, 50, of Northville, Michigan, was sentenced to 15 months in prison and ordered to pay restitution to the in the amount of \$394,000, following his plea of guilty to conspiracy to commit bank fraud. In September 2014, Peter Allen, 44, of Southfield, Michigan, was sentenced to 21 months in prison and ordered to pay restitution in the amount of \$194,300, for his role in the bank fraud scheme.

In addition to the seven defendants named in the superseding indictment, two other individuals connected to the scheme have pleaded guilty and been sentenced to prison. In September 2015, Mary Ann Paschal, who served as a straw buyer for multiple properties and received substantial fees for her participation, was sentenced to one year and one day in prison and ordered to pay restitution in the amount of \$523,750. Also in September 2015, Shawn Alexander Reed, a mortgage broker who assisted in the preparation of false mortgage loan applications, pleaded guilty and was sentenced to 15 months in prison.

Acting Assistant Attorney General Ciruolo thanked special agents of the FBI, Internal Revenue Service-Criminal Investigation and the Drug Enforcement Administration, who investigated the case and Senior Litigation Counsel Corey Smith and Trial Attorney Mark McDonald of the Tax Division, who prosecuted the case.

#